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SB672

February 20, 2025

TO: Members of the Senate Finance Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: Senate Bill 672 - Economic Development - Baltimore Convention and Tourism Redevelopment and Operating Authority - Established

POSITION: SUPPORT

Chair Beidle, Vice Chair Hayes, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 672.

SB 672 would establish the Baltimore Convention and Tourism Redevelopment and Operating Authority. This legislation represents a crucial step forward in revitalizing Baltimore's convention and tourism sector, building on the thorough work and recommendations of the task force established by the General Assembly in 2024.

The timing of this legislation could not be more critical. Baltimore is experiencing unprecedented momentum, with over \$6.5 billion in investment planned within a one-mile radius of downtown, including the transformative redevelopment of Harborplace. However, our convention center is a vital economic engine that requires immediate attention and structural reform to reach its full potential.

The Baltimore Convention Center generates over \$225 million in annual economic impact and supports more than 1,600 jobs across Maryland. Nearly \$60 million of this impact extends beyond Baltimore City's borders, benefiting BWI Airport, surrounding counties, and generating over \$12 million in annual state tax revenue. However, this critical asset faces over \$110 million in deferred maintenance, with many systems operating at 60-70% capacity. Without structural change, we risk watching this economic engine continue to decline.

The proposed Authority addresses these challenges through three interconnected solutions that emerged from the task force's comprehensive study:

1. It creates a unified governance structure that brings together convention center operations and tourism marketing under one roof, allowing for coordinated strategy and improved operational efficiency. The legislation carefully balances representation from state and local government, labor, industry experts, and key stakeholders.
2. It establishes a framework for state and city partnership on convention center improvements while preserving city ownership - a model that has proven successful in other contexts.
3. It provides the Authority with the tools and flexibility needed to operate in the highly competitive convention market, freed from constraints that have limited its effectiveness.

The task force found that a renovated and properly managed convention center could drive more than 70% increases in economic impact, tax revenues, jobs, and wages. The structure proposed in this legislation reflects best practices from successful convention markets across the country. It has been carefully crafted to ensure proper oversight and accountability while providing the operational flexibility needed to compete effectively.

For the above reasons, the BCA respectfully requests a **favorable** report on SB 672.